



Receive High-Speed Internet discount

You pay only \$2<sup>00</sup> / mo.  
for all your Calling Features and  
Voice Mail

#### Calling Feature / Voice Mail Descriptions

##### Caller ID Name & Number

Allows you to see an incoming caller's telephone number and name (when available) when the call rings in. Caller ID compatible equipment required.

##### Call Waiting / Cancel CW

You will hear a discreet beep when someone is trying to call you and you are already on the line.

##### Call Forwarding

Call Forwarding allows you to forward your calls to another number, such as your wireless phone.

##### Call Forward Busy

You may forward incoming calls to another pre-selected line when your line is busy.

##### 3-Way Calling / User Transfer

Allows you to spontaneously add another caller during an ongoing phone conversation and/or transfer a call to a third-party.

##### Speed Calling - 30

Program frequently used telephone numbers into your telephone and redial the number using a 2-digit number.

##### Selective Call Acceptance

Stores a directory of numbers from which you will accept calls. An incoming call from a directory number not on your list will receive a message stating that you are not taking calls right now.

##### Selective Call Rejection

Allows you to selectively program a list of directory numbers that you want rejected or blocked. The rejected caller receives a message informing them that you are not taking calls. Your phone will not ring.

##### Anonymous Caller Rejection

You may reject calls for which a calling name and/or calling number display information has been intentionally blocked.

##### Voice Mail

Never miss another call. It's the phone service that answers your phone calls while you're away, on the Internet, sending a fax or taking another call. It also records the time and date of the call. And you can access your messages anytime from any touch-tone phone whether you're at home or away.

##### Visual VoiceMail

Unified Messaging is a service that allows you to retrieve all of your home voicemail through any landline telephone, personal computer, or wireless phone.

It's incredibly convenient, super simple and allows you to manage your communications in ways never before possible. Simply let us know that you would like Visual VoiceMail added to your account and we'll set-up the forwarding of your voicemails to your e-mail inbox. Now you'll receive voicemail messages in your e-mail inbox as well as in the traditional voicemail box accessible via any touch-tone telephone.

#### User Guides

##### Voice Mail User Guide

(Click the icon to the right to download the instructions.)



##### Calling Feature Instructions

(Click the icon to the right to download the instructions.)



Category: **Telephone Services**

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## NEW CUSTOMER DISCLOSURE

### Purpose

This disclosure sums up the rights and responsibilities of customer and your local telephone company in regard to basic residential telecommunications service.

Those are reflected in the billing standards adopted by the Michigan Public Service Commission (MPSC) in Case No. U-11043 on June 18, 1996. This brochure provides only a summary of those standards. In all such matters, the full standards adopted by the MPSC will apply and serve as the controlling language.

### Applicability

The rules described in this brochure apply only to basic residential telecommunications service. Residential service is furnished primarily for personal or domestic purposes at the customer's house.

### Availability of Residential Services

Your local telephone company will provide service to everyone, regardless of religion, race, color, national origin, age, sex, marital status, height, weight, conviction, record, or handicap.

However, the company is not required to provide service to a household under any name if an outstanding bill exists at the address and the person responsible for that bill still lives at the address. People applying for service will be required to provide identification that can be readily and inexpensively verified.

### Free Access to Rates, Charges, and Rules

The company will give its customers access to its rates and service charges for basic residential telecommunications services. It also will give them access to the MPSC's billing standards. Each customer who asks for these documents will get one free copy of these rates, charges, and standards.

### Deposits and Prepayments

No deposit will be required to get basic local service, unless the potential applicant refuses to provide identification that can be readily and inexpensively verified or if that person has a history of payment default for telecommunications services within the past five years.

If a deposit is required, it will not be more than \$150 per line. Before providing service, the company may require a prepayment. The prepayment may equal the charges for basic local service for one billing period.

### Billing and Payment Standards

Each customer will get a bill for each billing cycle and the bill will arrive on or about the same day of each billing cycle. The due date will be one the bill. A bill will be considered delinquent if it has not been paid for more than a day past the bill due date.

Unless the customer provides other instructions, any partial payment that the company gets for a bill will be credited first against the amount due for basic local exchange service and regulated toll service.

### Bill Information

The bill will contain all the information necessary for a customer to determine the accuracy of the bill, including: the billing period, the due date, the telephone number for the bill, any previous balance, the total amount due for basic local service and regulated toll service, an itemized statement of all taxes due, and the total amount due.

The bill will have the telephone number and address of the company where the customer may call and ask questions about the bill or ask for an investigation or make an informal complaint.

### New Services and Changes in Service

When a customer orders a new service or makes a change in existing services that result in a billing change, the company will send the customer a written itemized statement of the services order, including all associated charges.

A customer shall have the right, within one billing period of receiving a bill for new services or changed services, to cancel, reduce, or change a service without further service charge.

### Informal and Formal Complaints

The company will handle informal customer complaints about basic local service in a timely and efficient manner and to the satisfaction of both the customer and the company.

If an informal resolution cannot be reached, the customer may file a formal complaint with the Michigan Public Service Commission. (That complaint would be filed under Section 203 of the Michigan Telecommunications Act and Part 7 of the MPSC's Billing Standards for Basic Residential Telecommunications Service.)

The complaint must contain all the information, testimony, exhibits or other documents and information that a customer intends to use to support the complaint. If a formal complaint is filed with the MPSC, the company may require the customer to pay the part of the bill that is not in dispute.

### Service Shutoffs

Basic local service and regulated toll service can be shut off for:

- (1) nonpayment of a delinquent account for basic local service;
- (2) nonpayment of a delinquent account with a balance of \$150 or more for basic local service and regulated toll service;
- (3) a delinquent balance of \$125 or more for three consecutive months for basic local service and regulated toll service;
- (4) unauthorized tampering or interference with company facilities and equipment that are on the customer's property;
- (5) refusal to grant access at reasonable times for inspection, maintenance, or replacement of equipment installed on customer's property;
- (6) misrepresentation of the customer's identity;
- (7) violation of a company tariff that hurts the safety of the customer or other persons or the integrity of the Company's system;

(8) any other unauthorized use or interference with basic local service.

The company will notify the customer in writing of a proposed shutoff at least five days before it is scheduled to take place.

**Shutoff Extension for Medical or Psychiatric Emergency**

In case of a medical or psychiatric emergency, the company may postpone the shutoff for up to 15 days. To qualify, a customer must provide a physician's certificate identifying the illness and stating there was an emergency. The postponement may be extended for an additional 15 days if the customer provides another physician's certificate.

**Restoration of Service**

After a shutoff, before it restores service, the company may require the customer to pay all past due charges for basic local service and regulated toll service, a reconnect charge, and a deposit of up to \$150 for each line.

**Information for the Visually Impaired**

The information contained in this pamphlet is available at no cost, in audio format, to customers who have visual impairments.

**Further Information and Help**

If you have any questions about your rights and responsibilities or the rights and responsibilities of your local telephone company, please feel free to contact the company. You may also contact the Michigan Public Service Commission at 1-800-292-9555 or:

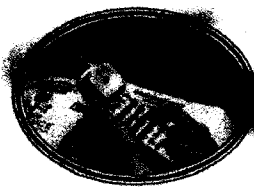
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## Lifeline Advertisements



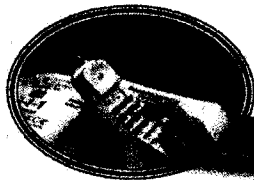
# White Pages Directory Listings

One directory listing is provided at no extra charge when you order new service. Subsequent changes to your listing will result in a service order charge.

- **Double Listing:** This service is provided for two persons (residential customers only), who share the same address and telephone number, or for persons known by more than one name.
- **Non-Pub Numbers:** Your telephone number is not published in the directory and is not available through directory assistance.
- **Additional Listings:** A separate additional listing in the telephone directory for both residence and business customers.

## ORDERING TELEPHONE SERVICE & ORDERING DIRECTORIES

Call Hiawatha Telephone Company at 387-9911 or 800-542-2741 or  
Chippewa County Telephone Co. at 248-3211 or 888-225-2741



# Lifeline Service

## LIFELINE AND LINK-UP SERVICES

The Lifeline Telephone Assistance Program makes residential telephone service more affordable for qualifying low-income households throughout Michigan.

Qualifying low-income households receive reduced charges on their monthly telephone bill and reduced installation charges.

### Program Benefits

Lifeline offers three primary benefits to qualifying consumers:

**Reduced Charges** - Households receive a monthly discount on their local telephone service charges. In most cases, the discount is \$11.25 per month. For customers aged 65 or older, a discount of \$12.35 per month applies.

**Option to Elect Toll Blocking in Lieu of a Service Deposit** - Consumers have the option of blocking outgoing long distance toll calls free of charge. If the applicant elects this option, the local telephone company will not collect a service deposit in order to initiate Lifeline service.

**Reduction in Local Telephone Line Installation Service Charges** - Pursuant to the Link-up America Program, a qualifying customer is eligible for a 50% reduction on local telephone line installation service charges.

### Eligibility

Lifeline and Link-Up services are available to certain low-income consumers who meet the following criteria:

- Applicant's household income does not exceed 150% of current federal poverty standards. Documentation of income is required. **OR**
- Proof of participation in one of the following programs: • Medicaid • Supplemental Security Income (SSI) • Food Stamps • Federal Housing Assistance • Low-Income Home Energy Assistance Program (LIHEAP) • National School Lunch Program's Free Lunch Program • Temporary Assistance for Needy Families (TANF)
- Enhanced Tribal Lifeline applicants may be eligible if they live on a federally recognized reservation and participate in one of the programs listed above or the Bureau of Indian Affairs General Assistance Program.

The maximum income amount varies according to the number of people in the household. The application must be completed by the person in whose name the phone is listed, and the phone number listed must be the applicant's primary residence.

If you have questions or need any further information, please contact your local telephone company or: Lifeline Administration Service, P.O. Box 11037, Lansing, MI 48901, Toll Free (866) 321-2323 or visit [www.lifeline.gov](http://www.lifeline.gov)

# NOTICE

## **To All Customers of the Chippewa County Telephone Company TELECOMMUNICATIONS SERVICES**

On September 28, 2012, the Public Service Commission of Michigan designated the Chippewa County Telephone Company as an "Eligible Telecommunications Carrier" for its service area for universal service purposes. The goal of universal service is to provide all citizens access to essential telecommunications services.

The Chippewa County Telephone Company provides single party residence (with unlimited local usage and 2000 minutes of expanded local) and business service for rates which range from \$22.24 for residential customers and \$28.67 per month for business customers. This includes access to:

- Long distance carriers
- Emergency services
- Operator services
- Directory assistance
- Telecommunications Relay Services
- Other services designed to persons with disabilities
- Toll blocking

Use of these services may result in added charges.

In addition, the Chippewa County Telephone Company provides one copy of its annual local directory without charge. Touch Tone service is available at no additional charge per month.

The Chippewa County Telephone Company would be pleased to provide you with specific rates for your area upon request.

Since December 1, 1990, the Chippewa County Telephone Company has offered qualified customers Lifeline Service. If you are a low income customer, you may qualify for Chippewa County Telephone Company's Lifeline Program. This means you may receive a monthly discount for your basic phone charges. This service also includes discounted toll blocking for qualifying customers and a discount for line connection charges for qualifying customers residing on federally-designated tribal lands.

**Please call the Chippewa County Telephone Company at 1-888-225-2873 or 248-3211 if you have any questions.**



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**MPSC Lifeline Discounted Telephone Service****Lifeline Program and Application Link**

We encourage eligible, low income residential customers to take advantage of available discounts on their telephone bills. The Lifeline program provides customers with limited incomes a discount of \$11.25 per month (up to \$12.35 for customers age 65 or older) on basic as well as more advanced combinations of services.

You may qualify for Lifeline if your household income is at or below 150% of the federal poverty level. You may also qualify if you participate in one of the following assistance programs:

- Medicaid
- Food Stamps
- Federal Public Housing Assistance
- Supplemental Security Income (SSI)
- Low Income Home Energy Assistance (LIHEAP)
- National School Lunch Program
- Temporary Assistance for Needy Families (TANF).

If you believe that you or someone you know satisfies the above requirements, please contact your local customer service center or call (866) 321-2323 for more information about these discounts.

Regulations established by the Federal Communications Commission prohibit any household from receiving more than one Lifeline discount and

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Lifeline customers will be asked to verify their continued eligibility for the program on a regular basis.

family size	gross monthly income (must be less than)	gross annual income (must be less than)
1	\$1,396.00	\$16,755
2	\$1,891.00	\$22,695
3	\$2,386.00	\$28,635
4	\$2,881.00	\$34,575
For each additional household member add:	\$495.00	\$5,940

Additional restrictions may apply. Telephone companies may require annual re-enrollment and verification of income eligibility. Contact your local office or the Lifeline Administration Service for complete details.

### Lifeline Application

**>> Click Here <<** to be redirected to the Standard Lifeline application.

**>> Click Here <<** to be redirected to the Tribal Lifeline application.

Category: **Telephone Services**

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## Michigan Lifeline Administration Service

**LIFELINE APPLICATION**

Eligible customers will receive \$11.25 off their monthly phone bill  
and seniors aged 65 and older can receive additional discounts.

**TOLL FREE 1-866-321-2323**

To apply for Lifeline Service, complete the application below and send it to:

**Lifeline Administration Service****PO Box 11037, Lansing, Michigan 48901 OR fax to 517-482-3548****IDENTIFICATION INFORMATION (PLEASE PRINT)**

Applicant's phone number:		Name of phone company:	
Date of Birth:	Last 4-digits of Social Security Number:		
Last Name:	First Name:	M.I.:	
Street: <b>Residential street address only; FCC regulations prohibit the use of P.O. Boxes for the Lifeline program</b>			
City:	State:	ZIP Code:	
This is my permanent address: Yes <input type="checkbox"/> No <input type="checkbox"/>			
Billing Address, City, State and Zip Code (if different from Service Address)			
There are multiple unique households (e.g. nursing home, assisted living facility) at my address, as defined in this program.		YES <input type="checkbox"/>	NO <input type="checkbox"/>

**PROGRAM QUALIFICATION INFORMATION**

To be eligible for Lifeline discounts, regulations require you to qualify via one of the two methods below. Please fill out one section only.

**Method 1. My income is within the guidelines and I am providing the following photocopies that document my total household income, which is stated below. Please check all that apply.**

**TOTAL MONTHLY INCOME: \$** **NUMBER OF HOUSEHOLD MEMBERS:**

# of Household Members	Gross Monthly Income	Gross Annual Income*
1	\$1,436	\$17,235
2	\$1,939	\$23,265
3	\$2,441	\$29,295
4	\$2,944	\$35,325

\*Add \$6,030 (\$503 monthly) for each additional household member.

<input type="checkbox"/> Prior year's state or federal tax return.	<input type="checkbox"/> Current Annual Income Statement from Employer
<input type="checkbox"/> Social Security statement of benefits	<input type="checkbox"/> Paycheck stubs or other official document containing income information for any 3 consecutive months within last 12 months
<input type="checkbox"/> Retirement/pension statement of benefits	<input type="checkbox"/> Veterans Administration statement of benefits
<input type="checkbox"/> Unemployment/Worker's Compensation Statement of Benefits	<input type="checkbox"/> Divorce decree or child support document containing income information

**Method 2. I, or the member of my household named below, receives assistance from one of the listed programs. I am providing documentation of participation in the checked program.**

Name: \_\_\_\_\_

<input type="checkbox"/> Food stamps	<input type="checkbox"/> Federal Public Housing Assistance or Section 8
<input type="checkbox"/> Medicaid	<input type="checkbox"/> Temporary Assistance for Needy Families (TANF)
<input type="checkbox"/> Supplemental Security Income	<input type="checkbox"/> National School Lunch - Free Lunch Program
<input type="checkbox"/> Low-Income Home Energy Plan (LIHEAP)	

### LIFELINE ADMINISTRATION SERVICE PROCESSES APPLICATIONS FOR THE FOLLOWING COMPANIES

Ace Communications	Chippewa County Telephone Company	Sand Creek Telephone Company
Allendale Telephone Company	Climax Telephone Company	Southwest Michigan Communications
Baraga Telephone Company	Deerfield Farmers' Telephone Co.	Springport Telephone Company
Barry County Telephone Company	Hiawatha Telephone Company	TDS Telecom
Blanchard Telephone Company	Kaleva Telephone Company	Thumb Cellular
Bloomington Communications	Lennon Telephone Company	Upper Peninsula Telephone Company
Carr Telephone Company	Michigan Central Broadband Co.	Waldron Telephone Company
CenturyLink of Michigan	Midway Telephone Company	Westphalia Broadband, Inc.
CenturyLink of Midwest Michigan	Ogden Communications	Westphalia Telephone Company
CenturyLink of Northern Michigan	Ontonagon County Telephone Co.	Winn Telecom
CenturyLink of Upper Michigan	Pigeon Telephone Company	Winn Telephone Company
Chapin Telephone Company		

For more information, please call 1-866-321-2323.

If your phone company is not on the list above, please contact them directly to apply for Lifeline discounts.

### APPLICANT ACKNOWLEDGEMENTS

#### PLEASE READ AND INITIAL EACH OF THE FOLLOWING STATEMENTS TO INDICATE THAT YOU UNDERSTAND AND AGREE:

- I understand and consent to Lifeline Administration Service providing my Lifeline service account information, including but not limited to, my name, residential address, phone number, date of birth, the last 4 digits of my social security number, the date on which my Lifeline service was initiated/terminated, the amount of Lifeline support provided, and the means through which I qualified for Lifeline, to the Universal Service Administrative Company (USAC), USAC's agents and/or the National Lifeline Accountability Database to ensure the proper administration of the Lifeline program. I understand that if I fail to provide this consent, Lifeline Administration Service will deny me Lifeline service.
- Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person.
- Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- Lifeline support is only available for a single phone line at my principal residence and no one else in my household is receiving Lifeline discounts. (A "household" is defined as any individual or group of individuals who live together at the same address and share income and expenses.)
- Violation of the one-per-household limitation constitutes a violation of the Federal Communication Commission's rules and will result in the subscriber's de-enrollment from the program and potentially prosecution by the US government.
- I understand that if I am identified as receiving more than one Lifeline benefit, all telephone service providers involved may be notified so that I may select one service and be de-enrolled from the other(s).
- I will notify my telephone company within 30 days if I no longer qualify for Lifeline and I may be subject to penalties if I fail to do so.
- I will notify my telephone company within 30 days of any changes to my residential address.
- I will be required to certify my continued eligibility for Lifeline at least once a year and know failure to do so will result in termination of my participation in the program.

#### APPLICANT SIGNATURE

**I certify, under penalty of perjury, that the information provided in this application and supporting documentation is true and complete.**

Signature:

Date:

**REVISED 2/2013**

Michigan Lifeline Administration Service  
**LIFELINE APPLICATION FOR TRIBAL AREAS**

Eligible customers will receive up to \$35.00 off their monthly phone bill and seniors aged 65 and older can receive additional discounts. Tribal customers can also receive discounts of up to \$100 for commencing service at the subscriber's principal place of residence.

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PO Box 11037, Lansing, Michigan 48901 OR fax to 517-482-3548**

**IDENTIFICATION INFORMATION (PLEASE PRINT)**

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Last Name:	First Name:		M.I.:
Street: <b>Residential street address only; FCC regulations prohibit the use of P.O. Boxes for the Lifeline program</b>			
City:		State:	ZIP Code:
This is my permanent address: Yes <input type="checkbox"/> No <input type="checkbox"/>			
Billing Address, City, State and Zip Code (if different from Service Address)			
There are multiple unique households (e.g. nursing home, assisted living facility) at my address, as defined in this program. YES <input type="checkbox"/> NO <input type="checkbox"/>		I am a new customer connecting service at this address for the first time. YES <input type="checkbox"/> NO <input type="checkbox"/> Date Service Started: _____	

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- Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
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### APPLICANT SIGNATURE

**I certify, under penalty of perjury, that the information provided in this application and supporting documentation is true and complete.**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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CHIPPEWA COUNTY  
TELEPHONE  
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**WC Docket Nos. 10-90 and 11-42**

**FCC FORM 481**

**STATEMENT REGARDING FUNCTIONALITY IN EMERGENCY  
SITUATIONS (600/610)**

**Chippewa County Telephone Company** ("Carrier") is able to remain functional in an emergency situation through the use of back-up power to ensure functionality without an external power source. Carrier has backup battery reserve in its central office and remote cabinets, which enables it to provide service for a minimum of 8 hours. Carrier's service is consistent with the prior obligations to provide service in emergency situations as set forth in § 54.202(a)(2) and Rule 46 of the MPSC's Service Quality Rules (2000 AC, R 484.546), and its network is engineered to provide maximum capacity in order to handle excess traffic in the event of traffic spikes resulting from emergency situations. Carrier has redundancy in its network for use in re-rerouting traffic when facilities are damaged.

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**CHIPPEWA COUNTY  
TELEPHONE  
COMPANY**

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9984 West State Street • Brimley, MI 49715  
(906) 248-3211 • FAX (906) 248-3425

**WC Docket Nos. 10-90 and 11-42**

**FCC FORM 481**

**STATEMENT REGARDING TRIBAL LANDS (900/920)**

**Chippewa County Telephone Company** ("Carrier") understands that the obligatory discussions with Tribal governments are expected to include, at a minimum:

- i. A needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- ii. Feasibility and sustainability planning;
- iii. Marketing services in a culturally sensitive manner;
- iv. Rights of way processes, land use permitting, facilities siting, environmental and cultural preservations review processes; and
- v. Compliance with Tribal business and licensing requirements

Carrier has made multiple attempts to engage in discussions with the Bay Mills Band of Chippewa Indians, the Tribal government for the Tribal lands Carrier serves. In addition to phone calls made to the Tribal government to set up a meeting, correspondence has been sent requesting a meeting to discuss their needs and potential deployment of services as well as other areas of interest specific to conducting business on Tribal lands. The Tribal government has not responded to these attempts. Although Carrier believes efforts are continuously made in its business practices to consider matters such as the requirements set forth in § 54.313(a)(9), the Tribal government's lack of cooperation has directly impacted Carrier's ability to fully comply with said requirements.

The correspondence sent to the Tribal government requesting a meeting is attached.



CHIPPEWA COUNTY  
TELEPHONE  
COMPANY

9984 West State Street • Brimley, MI 49715  
(906) 248-3211 • FAX (906) 248-3425

April 1, 2013

Bay Mills Band of Chippewa Indians  
Attn: Kurt Perron, Tribal Chairman  
12140 West Lakeshore Drive  
Brimley MI 49715

Dear Chairman Perron:

Chippewa County Telephone Company (CCTC) values its relationship with the Bay Mills Band of Chippewa Indians and the opportunity to provide services that meet the needs of CCTC's customers within Tribal lands, especially given the fact there is an alternate provider vying for their broadband patronage. CCTC prides itself on maintaining a good relationship with its customers, including the Bay Mills Band of Chippewa Indians, through ongoing communication and, as appropriate, periodic meetings. In an effort to continue this good relationship, and to fulfill certain new obligations from the Federal Communications Commission (FCC), CCTC would like to request an opportunity to meet with the Bay Mills Band of Chippewa Indians.

The FCC has initiated steps to reform and modernize the federal universal service support system to ensure that robust, affordable voice and broadband service are available to Americans throughout the nation, including those residing on Tribal lands. The FCC's plan includes a requirement for companies such as CCTC to hold discussions with federally-recognized Tribal entities in their supported serving areas regarding voice and broadband services on Tribal lands. The 'USF/ICC Transformation Order' can be accessed on the FCC's website via the following link: [http://fjallfoss.fcc.gov/edocs\\_public/attachmatch/FCC-11-161A1\\_Rcd.pdf](http://fjallfoss.fcc.gov/edocs_public/attachmatch/FCC-11-161A1_Rcd.pdf).

From December 6, 2012 to December 28, 2012, we made five separate, unsuccessful attempts via phone to arrange a face-to-face meeting between Tribal representatives of the Bay Mills Band of Chippewa Indians and CCTC to discuss your needs and potential deployment of services as well as other areas of interest specific to conducting business on Tribal lands. Please consider this letter another formal request to arrange a face-to-face meeting with CCTC and you and/or other Tribal representatives. If you have an interest in meeting with us, please contact me via phone at 906.248.3211 or e-mail at [rdeneve@jamadots.net](mailto:rdeneve@jamadots.net) on or before April 22, 2013.

Please contact me with any questions you may have regarding this letter. We look forward to meeting with the Bay Mills Band of Chippewa Indians.

Thank you for your attention to this matter.

Respectfully,

Ronald J. DeNeve  
Network Manager

RJD/brs

Cc: Jay Brogan, President of Chippewa County Telephone Company





April 1, 2013

Bay Mills Band of Chippewa Indians  
 Attn: Kurt Perron, Tribal Chairman  
 12140 West Lakeshore Drive  
 Brimley MI 49715

SENDER: COMPLETE THIS SECTION	
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.	
1. Article Addressed to: <i>Bay Mills Band of Chippewa Indians</i> <i>Attn: Kurt Perron, Tribal Chairman</i> <i>12140 W. Lakeshore Dr.</i> <i>Brimley, MI 49715</i>	
COMPLETE THIS SECTION ON DELIVERY	
A. Signature <input checked="" type="checkbox"/>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name)  	C. Date of Delivery  
D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)	
PS Form 3811, February 2004 Domestic Return Receipt 102565-02-M-1540	

U.S. Postal Service <b>CERTIFIED MAIL™ RECEIPT</b> (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Postage \$ <u>4.60</u> Certified Fee <u>3.10</u> Return Receipt Fee (Endorsement Required) <u>2.55</u> Restricted Delivery Fee (Endorsement Required) Total Postage & Fees <u>\$10.11</u>	
Sent To <u>Kurt Perron, Tribal Chairman</u> Street, Apt. No., or PO Box No. <u>12140 W. Lakeshore Dr.</u> City, State, ZIP+4 <u>Brimley MI 49715</u>	
PS Form 3800, August 2006 See Reverse for Instructions	



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CHIPPEWA COUNTY  
TELEPHONE  
COMPANY

Received & Inspected

OCT 23 2013

FCC Mail Room

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9984 West State Street • Brimley, MI 49715  
(906) 248-3211 • FAX (906) 248-3425

**WC Docket Nos. 10-90 and 11-42**

**FCC FORM 481**

**Rate of Return Documentation  
(3005/3026)**

REDACTED VERSION



Received & Inspected

CHIPPEWA COUNTY TELEPHONE COMPANY

OCT 23 2013

Financial Statements  
With Independent Accountant's Review Report

FCC Mail Room

As of December 31, 2012 and 2011

CONFIDENTIAL



**McCartney & Company, P.C.**  
*Certified Public Accountants*

Okemos, Michigan

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CONFIDENTIAL



**McCartney & Company, P.C.**  
*Certified Public Accountants*

2121 University Park Drive,  
Suite 150 • Okemos, Michigan 48864  
Telephone (517) 347-5000  
Fax (517) 347-5007

Jeffery A. Irwin, CPA  
Edward B. Rebman, CPA  
Susan J. Schanski, CPA

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Chippewa County Telephone Company  
Munising, Michigan

We have reviewed the accompanying balance sheets of Chippewa County Telephone Company (a corporation and a wholly owned subsidiary of Hiawatha Communications, Inc.), as of December 31, 2012 and 2011, and the related statements of income and changes in retained earnings, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*McCartney & Company, P.C.*

October 1, 2013

Chippewa County Telephone Company  
Balance Sheets  
As of December 31, 2012 and 2011

ASSETS

	2012	2011
<u>Current Assets</u>		
Cash and cash equivalents	\$ [REDACTED]	\$ [REDACTED]
Temporary cash investments	[REDACTED]	[REDACTED]
Due from subscribers	[REDACTED]	[REDACTED]
Accounts receivable - Connecting Companies	[REDACTED]	[REDACTED]
Accounts receivable - Other	[REDACTED]	[REDACTED]
Accounts receivable - Affiliates	[REDACTED]	[REDACTED]
Inventory	[REDACTED]	[REDACTED]
Current deferred taxes	[REDACTED]	[REDACTED]
Other current assets	[REDACTED]	[REDACTED]
Total Current Assets	[REDACTED]	[REDACTED]
<u>Plant, Property and Equipment</u>		
Plant in service	[REDACTED]	[REDACTED]
Less accumulated depreciation	[REDACTED]	[REDACTED]
Total Plant, Property and Equipment	[REDACTED]	[REDACTED]
<u>Total Assets</u>	\$ [REDACTED]	\$ [REDACTED]

See accompanying notes and independent accountant's review report

# LIABILITIES AND STOCKHOLDERS' EQUITY

	2012	2011
<u>Current Liabilities</u>		
Accounts payable	\$ [REDACTED]	\$ [REDACTED]
Accounts payable - affiliates	[REDACTED]	[REDACTED]
Advance billings and payments	[REDACTED]	[REDACTED]
Accrued compensated absences	[REDACTED]	[REDACTED]
Other current liabilities	[REDACTED]	[REDACTED]
Total Current Liabilities	[REDACTED]	[REDACTED]
<u>Deferred Liabilities</u>		
Deferred federal income taxes	[REDACTED]	[REDACTED]
Deferred state income taxes	[REDACTED]	[REDACTED]
Total Deferred Liabilities	[REDACTED]	[REDACTED]
<u>Stockholders' Equity</u>		
Common Stock	[REDACTED]	[REDACTED]
Additional paid in capital	[REDACTED]	[REDACTED]
Retained earnings	[REDACTED]	[REDACTED]
Total Stockholders' Equity	[REDACTED]	[REDACTED]
<u>Total Liabilities and Stockholders' Equity</u>	\$ [REDACTED]	\$ [REDACTED]

See accompanying notes and independent accountant's review report

Chippewa County Telephone Company  
Statements of Income and Changes in Retained Earnings  
As of December 31, 2012 and 2011

	2012	2011
<u>Operating Revenues</u>		
Local service revenues	\$ [REDACTED]	\$ [REDACTED]
Access service		
Interstate		
Intrastate		
Deregulated		
Miscellaneous		
Total Operating Revenues	[REDACTED]	[REDACTED]
<u>Operating Expenses</u>		
Plant specific	[REDACTED]	[REDACTED]
Network and other		
Depreciation		
Customer operations		
Corporate operations		
Deregulated		
Total Operating Expenses	[REDACTED]	[REDACTED]
<u>Net Operating Revenue</u>	[REDACTED]	[REDACTED]
<u>Operating Taxes</u>		
Federal income taxes	[REDACTED]	[REDACTED]
State income taxes		
Other operating taxes		
Total Operating Taxes	[REDACTED]	[REDACTED]
<u>Net Operating Income</u>	[REDACTED]	[REDACTED]
Interest and dividend income		
Other income and expense		
Federal non-operating income taxes		
<u>Net Income</u>	[REDACTED]	[REDACTED]
Retained earnings - Beginning		
<u>Retained earnings - Ending</u>	\$ [REDACTED]	\$ [REDACTED]

See accompanying notes and independent accountant's review report



Chippewa County Telephone Company  
Munising, Michigan

Statements of Cash Flows  
For the Years Ended December 31, 2012 and 2011

	2012	2011
<u>Operating Activities</u>		
Net Income	\$ [REDACTED]	\$ [REDACTED]
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	[REDACTED]	[REDACTED]
Provisions for deferred taxes	[REDACTED]	[REDACTED]
Accrued compensated absences	[REDACTED]	[REDACTED]
Change in operating assets and liabilities:		
Due from subscribers	[REDACTED]	[REDACTED]
Accounts receivable	[REDACTED]	[REDACTED]
Inventory	[REDACTED]	[REDACTED]
Other assets	[REDACTED]	[REDACTED]
Accounts payable	[REDACTED]	[REDACTED]
Advance billings and payments	[REDACTED]	[REDACTED]
Other liabilities	[REDACTED]	[REDACTED]
Net Cash Flows Provided by Operating Activities	[REDACTED]	[REDACTED]
<u>Investing Activities</u>		
Purchases of plant, property and equipment	[REDACTED]	[REDACTED]
Salvage net of cost of removal	[REDACTED]	[REDACTED]
Net Cash Used in Investing Activities	[REDACTED]	[REDACTED]
<u>Increase in Cash and Cash Equivalents</u>	[REDACTED]	[REDACTED]
<u>Cash and Cash Equivalents - Beginning</u>	[REDACTED]	[REDACTED]
<u>Cash and Cash Equivalents - Ending</u>	\$ [REDACTED]	\$ [REDACTED]

See accompanying notes and independent accountant's review report

CHIPPEWA COUNTY TELEPHONE COMPANY

Notes to Financial Statements

1. Summary of Significant Accounting Policies

These financial statements contain the accounts of Chippewa County Telephone Company (the Company). The Company is a wholly owned subsidiary of Hiawatha Communications, Inc. and is located in the Upper Peninsula of the state of Michigan. The Company's major business activity is providing local telephone exchange service and access to the public switched telephone network.

The Company grants credit to customers, substantially all of whom are local residents. Additionally, the Company grants credit to interexchange carriers for access to the public switched telephone network. Approximately █% of the Company's operating revenue is received from access revenue from interexchange carriers.

The Company rarely requires collateral from either its customers or telecommunications providers. Accordingly, failure to collect on these accounts would result in a direct loss of the amounts uncollected. However, a portion of these losses would be recoverable through the settlement process described below. Due from subscribers is shown net of the allowance for doubtful accounts of \$█ and \$█ at December 31, 2012 and 2011, respectively. Accounts receivable - Connecting companies is shown net of the allowance for doubtful accounts of \$█ at both December 31, 2012 and 2011. For Accounts receivable - Other, no allowance for doubtful accounts was determined to be necessary. The Company's estimate is based on historical collection experience and a review of the current status of accounts receivable. Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, and the Company does not apply a finance charge to past due receivables. Additionally, the Company generally does not hold financial instruments with off-balance-sheet credit risk.

The accounting records of the Company are maintained in accordance with the Uniform System of Accounts for Class A and B telephone companies prescribed by the Michigan Public Service Commission, which conform to accounting principles generally accepted in the United States of America. Preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates, primarily related to collectibility of receivables, access revenue settlement amounts, depreciable lives of property, plant and equipment, and deferred tax assets and liabilities. Actual results may vary from these estimates.

Compensation for interstate access services was received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the Company to the interstate interexchange carriers, and pooled with like revenues from all NECA member companies. The portion of the pooled access charge revenue received by the Company is based upon its actual cost of providing interstate access service, plus a return on the investment dedicated to providing that service. The Company recorded true-ups of prior years' estimated interstate access settlements that had the net effect of increasing 2012 and 2011 net income before federal and state income taxes in the amount of \$█ and \$█, respectively.

Intrastate and local access revenue is based on charges billed under the Company's intrastate access revenue tariff or interconnection agreements. These revenues are dependent upon actions of interexchange carriers over which the Company has no control. It is possible that changes could occur that would cause a significant impact on the Company's future revenues.

CHIPPEWA COUNTY TELEPHONE COMPANY

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

In November 2011, the FCC issued an order reforming the Universal Service Fund reporting and distributions, as well as, carrier compensation billing and settlement process. It is unknown at this time what financial impact the order will have on the Company.

Cash and cash equivalents include cash and short-term, highly liquid investments with original maturities of three months or less. Those investments with original maturities of over three months to twelve months are classified as temporary cash investments. The Company's cash and temporary cash investment accounts are subject to the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 per financial institution. At various times during the year the Company's cash account balances exceeded this amount in the normal course of business. At December 31, 2012, cash and temporary investments account balances exceeded this limit by approximately \$[REDACTED]. Other investments are not covered by FDIC insurance.

Non-cash investing and financing activities consisted of plant increases included as accounts payable of \$[REDACTED] at December 31, 2011.

All federal and state income taxes are paid by the Company's parent corporation.

It is the policy of the Company to expense advertising costs as incurred.

Sales, use and excise taxes collected from subscribers are presented on a net basis.

Inventory consists of materials and supplies for additions and maintenance of the telephone plant and telephone equipment for resale. Inventory is priced at the lower of cost or market on an average cost basis.

2. Temporary Cash Investments

Temporary cash investments of \$[REDACTED] at both December 31, 2012 and 2011, consist of Certificates of Deposit with original maturities between 4 to 12 months from the date of issue and bear interest at the prevailing market rate at the time of issue.

3. Plant, Property and Equipment

Additions to telephone plant and replacements of significant units of property are capitalized at original cost. When telephone plant is retired, its cost is removed from the asset account and charged against the depreciation reserve together with any related salvage and removal costs. No gains or losses are recognized in connection with routine retirements of depreciable property.

Plant in service is summarized as follows at December 31, 2012 and 2011:

	2012	2011
Land and buildings	\$ [REDACTED]	\$ [REDACTED]
General support	[REDACTED]	[REDACTED]
Central office equipment	[REDACTED]	[REDACTED]
Information origination/termination	[REDACTED]	[REDACTED]
Cable and wire facilities	[REDACTED]	[REDACTED]
	\$ [REDACTED]	\$ [REDACTED]

# CHIPPEWA COUNTY TELEPHONE COMPANY

## Notes to Financial Statements

### 3. Plant, Property and Equipment (continued)

Depreciation expense for plant is calculated using a rate that distributes the gross cost of a class of assets, and its estimated net salvage, on a straight-line basis over the estimated service life of that class of assets. The composite depreciation rate was █% and █% for 2012 and 2011, respectively.

During 2012 the Company conducted a study of the plant depreciation rates. As a result of this study, new depreciation rates were implemented effective January 1, 2012. The impact of this change in 2012 was a reduction in depreciation expense recorded in the amount of approximately \$█.

### 4. Construction Expenditures

Construction and other plant expenditures totaled \$█ and \$█ on an accrual basis in 2012 and 2011, respectively. Management has proposed expenditures for the expansion of plant totaling approximately \$█ during 2013.

### 5. Taxes

For income tax purposes, the Company is included in the federal consolidated and state combined tax returns with its parent Hiawatha Communications, Inc. For financial reporting purposes, income taxes are computed and recorded as if the Company filed separate income tax returns, except that: (i) in the event the Company generates a net tax loss which is utilized in Hiawatha Communications, Inc.'s returns, the Company will be given the benefit of such loss, (ii) federal income taxes are calculated based upon the statutory tax rate in effect for Hiawatha Communications, Inc. and its subsidiary on a consolidated basis, and (iii) state income taxes are calculated based upon the taxes in effect for Hiawatha Communications, Inc. and its subsidiary on a combined basis. Deferred income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at the applicable enacted tax rates. Temporary differences giving rise to the deferred tax liabilities and assets consist primarily of the excess of depreciation for tax purposes over the amount for financial reporting purposes, and investments reported differently for financial reporting and tax purposes.

Tax provisions charged to expense for the years ended December 31, 2012 and 2011 are summarized below.

	2012	2011
Federal income taxes (benefit):		
Current	\$ █	\$ █
Deferred	█	█
Subtotal	\$ █	\$ █
State income tax:		
Current	\$ █	\$ █
Deferred	█	█
Subtotal	\$ █	\$ █
Other taxes:		
Property	█	█
Miscellaneous	█	█
Total income and other taxes	\$ █	\$ █

# CHIPPEWA COUNTY TELEPHONE COMPANY

## Notes to Financial Statements

### 5. Taxes (continued)

Total federal income tax expense, divided by the sum of such tax expense and net income, results in an effective tax rate of approximately [REDACTED] % and [REDACTED] % for 2012 and 2011, respectively. The difference between The Company's federal effective income tax rate and the federal statutory rate is primarily a result of expenses deductible for financial reporting purposes that are not deductible for tax purposes, and adjustments to prior year tax accruals.

The Company periodically settles amounts owed to Hiawatha Communications, Inc. for income taxes. For the years ended December 31, 2012 and 2011, a federal income tax liability was recorded as a payable to Hiawatha Communications, Inc. in the amount of \$[REDACTED] and \$[REDACTED], respectively. For the years ended December 31, 2012 and 2011, a state income tax liability was recorded as a payable to Hiawatha Communications, Inc. in the amount of \$[REDACTED] and \$[REDACTED], respectively.

Effective January 1, 2012, the State of Michigan eliminated the Michigan Business Tax and implemented the Corporate Income Tax. This change necessitated the adjustment to certain deferred tax assets and liabilities to implement the new income tax.

Management believes that there is a greater than 50% chance (more likely than not) that the Company is entitled to the economic benefit resulting from tax positions taken in income tax returns. No interest or penalties related to uncertain tax positions has been recognized in the income statements or balance sheets for the years ended December 31, 2012 and 2011. However, federal and state tax returns for years 2009 through 2012 remain subject to possible audit.

### 6. Pension Plan

The Company has a defined benefit pension plan in effect for all of its employees who meet certain age and length of service requirements. The plan is administered by the National Telephone Cooperative Association (NTCA) retirement plan, a defined benefit pension plan qualified by the Internal Revenue Code. In this multiple-employer plan, which is available to members of NTCA, the accumulated benefits and plan assets are not determined or allocated separately by individual employers. The plan requires annual contributions, equal to the amount accrued for pension expense. Contributions for 2012 and 2011 were \$[REDACTED] and \$[REDACTED], respectively.

Additionally, Company employees participate in a cash or deferred arrangement 401(K) plan administered by John Hancock. Employer contributions were made to this plan in the amount of \$[REDACTED] and \$[REDACTED] for 2012 and 2011, respectively.

### 7. Related Parties Transactions

The Company had bank and certificate of deposit balances of \$[REDACTED] and \$[REDACTED] at December 31, 2012 and 2011, respectively, with a financial institution considered a related party. Additionally, a significant portion of the Company's general banking activity is done through this financial institution.

The Company also had the following related party transactions during 2012 and 2011, with its parent and affiliated subsidiaries:

	2012	2011
Due to affiliate – Ontonagon County Telephone Co. (OCTC), beginning of year	\$ [REDACTED]	\$ [REDACTED]
Labor & customer payments to		
Labor & customer charges from		
Due to affiliate – OCTC end of year	\$ [REDACTED]	\$ [REDACTED]

CHIPPEWA COUNTY TELEPHONE COMPANY

Notes to Financial Statements

7. Related Parties Transactions (continued)

	2012	2011
Due from affiliate – Hiawatha Communications, Inc. (HCI), beginning of year	\$ [REDACTED]	\$ [REDACTED]
Cash advance	[REDACTED]	[REDACTED]
Cash advance paid	[REDACTED]	[REDACTED]
Labor & customer payments	[REDACTED]	[REDACTED]
Labor & customer charges	[REDACTED]	[REDACTED]
General & administrative paid	[REDACTED]	[REDACTED]
General & administrative billed	[REDACTED]	[REDACTED]
Allocation of state tax (expense) benefit	[REDACTED]	[REDACTED]
Allocation of federal tax expense	[REDACTED]	[REDACTED]
Due from affiliate – HCI, end of year	\$ [REDACTED]	\$ [REDACTED]
Due from affiliate – Hiawatha Telephone Co. (HTC), beginning of year	\$ [REDACTED]	\$ [REDACTED]
Labor & customer charges to	[REDACTED]	[REDACTED]
Labor & customer payments from	[REDACTED]	[REDACTED]
Labor & customer payments to	[REDACTED]	[REDACTED]
Labor & customer charges from	[REDACTED]	[REDACTED]
Due from affiliate – HTC, end of year	\$ [REDACTED]	\$ [REDACTED]
Due from affiliate – Jamadots, Inc., beginning of year	\$ [REDACTED]	\$ [REDACTED]
Labor & customer charges to	[REDACTED]	[REDACTED]
Labor & customer payments from	[REDACTED]	[REDACTED]
Labor & customer payments to	[REDACTED]	[REDACTED]
Labor & customer charges from	[REDACTED]	[REDACTED]
Due from affiliate – Jamadots, end of year	\$ [REDACTED]	\$ [REDACTED]

8. Subsequent Events

The date to which events occurring after December 31, 2012 have been evaluated for possible adjustment to the financial statements or disclosure is October 1, 2013, which is the date on which the financial statements were available to be issued.